SBC Communications Inc. 1401 I Street, N.W. Suite 1100 Washington, D.C. 20005 Phone 202 326-8889 Fax 202 408-4805



March 29, 1999

EX PARTE OR LATE FILED

FEDERAL COMMUNICATIONS COMMUNICAL OFFICE OF THE SECRETARY

#### **Memorandum of Ex Parte Communication**

Ms. Magalie Salas Secretary **Federal Communications Commission** 445 12<sup>th</sup> Street, S. W. Street Lobby - TW A235 Washington, D.C. 20554

Dear Ms. Salas:

CC Docket No. 96 - 45 / Universal Service Re:

CC Docket No. 97 - 160 - Forward-Looking Mechanism for Non-Rural LECs

On Friday, March 26, 1999, Mr. Dale Robertson, Senior Vice President - FCC for SBC Telecommunications, Inc. ("SBC") and Mr. William Bailey, Southwestern Bell Telephone's Executive Director for Regulatory and Industry Relations met with Ms. Martha Hogerty, Missouri Public Counsel and member of the Federal-State Joint Board on Universal Service, regarding Universal Service and discussed the above-listed proceedings. A service-specific analysis of the costs and revenues impacting the provision of universal service Missouri was presented. The attached materials representing service-specific costs and revenues by exchange location were distributed during the meeting.

We are submitting the original and one copy of this Memorandum to the Secretary in accordance with Section 1.1206(b)(2) of the Commission's rules. Please stamp and return the provided copy to confirm your receipt. Please contact me at (202) 326-8889 should you have any questions.

Sincerely,

cc (w/o attachments): Martha Hogerty

No. of Copies rec'd (

List A B C D E

# SBC Universal Service Study Residence Monthly Per Line Revenues and Operating Costs

Report 1 December 14, 1998

|             |                    | Uni     | iversal Ser | vice                  |         |            |         |            |         |          |        | Inters            | tate Swit | ched           |
|-------------|--------------------|---------|-------------|-----------------------|---------|------------|---------|------------|---------|----------|--------|-------------------|-----------|----------------|
| Missouri    |                    |         |             | Со                    | st      | Vertical : | Service | Intrasta   | te Toll | Intras   |        |                   | Access    |                |
|             | Residence<br>Lines | sidence |             | Intrastate Interstate |         |            |         |            |         | Switched | Access | Switchii<br>Trans | _         | ČCL<br>Revente |
| Wire Center | re Center          |         |             |                       |         | Revenue    | Cost    | Revenue    | Cost    | Revenue  | Cost   | Revenue           | Cost      |                |
|             | A                  |         | 6 C         | D                     | E       |            | G       | . <b>B</b> | I       |          | K      | L                 | M         | <b>N</b>       |
| Kansas City | 9,238              | \$15.92 | \$3.59      | \$23.08               | \$4.53  | \$8.13     | \$0.51  | \$1.02     | \$1.99  | \$9.82   | \$0.45 | \$12.24           | \$3.17    | \$3.75         |
| St. Louis   | 15,439             | \$20.59 | \$3.47      | \$31.43               | \$6.35  | \$6.10     | \$0.51  | \$1.78     | \$2.73  | \$2.15   | \$0.62 | \$6.23            | \$4.34    | \$2.31         |
| Rural       | 1,683              | \$13.69 | \$3.54      | \$58.40               | \$16.05 | \$4.61     | \$0.51  | \$9.61     | \$5.37  | \$3.41   | \$1.22 | \$2.85            | \$8.54    | \$1.01         |

#### SBC Universal Service Study Residence Annual Revenues and Operating Costs

Report 2 December 14, 1998

|              |                       | Universal            | Service                 |                         |               |                         |  |                         |               |                         | Inter-       | tate Switched Ac        |  |
|--------------|-----------------------|----------------------|-------------------------|-------------------------|---------------|-------------------------|--|-------------------------|---------------|-------------------------|--------------|-------------------------|--|
| Missouri     |                       |                      | Cos                     | it .                    | Vertical :    | Service                 | Intrasta   | te Toll                 | Intrastate Sw | itched Access           | inters       | iate Swucnea Ad         | ccess                                    |
|              |                       | in the second second | Intrastate              | Interstate              |               |                         |  |                         |               |                         | Switching an | d Transport             | en e |
|              | *******               | *****                |                         |                         |               | Cost                    | Beneme   | Cost                    | Anna C        | Cost                    | Brown        | Cost                    |  |
| Wire Center  |                       | enter                | Report 1:<br>A * D * 12 | Report 1:<br>A * E * 12 |               | Report 1:<br>A * G * 12 | Personal Contract Con | Report 1:<br>A * I * 12 |               | Report 1:<br>A * K * 12 | Prpm#1       | Report 1:<br>A * M * 12 | To provide the                           |
| *****        | METERS OF THE SECTION | COLUMN CONTRACT      | с                       |                         |               | F                       | 4  |                         | PROFES        | ı                       |              | L                       |  |
| Kansas City  | \$1,764,539           | \$398,510            | \$2,558,373             | \$502,672               | \$900,865     | \$56,369                | \$112,985  | \$220,819               | \$1,088,501   | \$50,328                | \$1,356,550  | \$351,272               | \$415,94                                 |
| St. Louis    | \$3,814,509           | \$643,734            | \$5,822,088             | \$1,176,677             | \$1,129,723   | \$94,206                | \$330,554  | \$504,881               | \$398,825     | \$115,070               | \$1,154,832  | \$803,148               | \$427,59°                                |
| Rural        | \$276,397             | \$71,579             | \$1,179,366             | \$324,180               | \$93,046      | \$10,269                | \$194,047  | \$108,464               | \$68,808      | \$24,720                | \$57,599     | \$172,540               | \$20,379                                 |
|              |                       |                      |                         |                         |               |                         |  |                         |               |                         |              |                         |  |
| State Totals | \$313,210,747         | \$70,086,180         | \$525,341,462           | \$121,966,559           | \$126,558,654 | \$10,068,509            | \$56,993,720   | \$46,695,844            | \$49,357,577  | \$10,642,659            | \$72,730,329 | \$74,282,229            | \$26,649,892                             |

#### Report 3 December 4 1998

#### SBC Universal Service Study Residence Monthly Per Line Operating Margin

| Missouri    |                    |  |   | R  | esidence Uni             | iversal Ser                      | vice                                |     |         |     |               |            |  |                                       | Intrastate                             | Interstate                               |     |                                   | Tiber .  |
|-------------|--------------------|--|---|--|--------------------------|----------------------------------|-------------------------------------|-----|---------|-----|---------------|------------|--|---------------------------------------|--|--|-----|-----------------------------------|--|
| Missouri    |                    |  | an an ar ar ang<br>Tanggan ar |  |                          | Monthly Univer<br>Revenue Calcul |                                     |     |         |     |               |            | Vertical<br>Service Gros<br>Margin per | Intrastate Toll Gross Margin per Line | Switched<br>Access Gross<br>Margin per | Switching and<br>Transport<br>Margin per | CCI | sterstate<br>L Revenue<br>er Line | Residence<br>Generator   |
| Wire Center | Residence<br>Lines | production of the second of th | f. i PMSet<br>supplies to settle                                  | Teller, production of<br>Teller, production of     | Average Cost per<br>Line | Average<br>Revenue per<br>Line   | Intrastate Gross<br>Margin per Line |     | e de ya |     |               |            | Line                                   | , p                                   | Line                                   | Line                                     |     | or Date                           | - Ella   |
|             |                    |  |   |  | Report 1: D              | Report 1: B                      | F - E                               |     |         |     | -4-5 <u>.</u> |            | Report 1: F -G                         | Report 1: H - I                       | Report 1: J - K                        | Report 1: L - M                          | Re  | eport 1: N                        | TERRELL TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUM |
|             | A                  | Manager Programs   |   | 0-81-47-17-18-18-18-18-18-18-18-18-18-18-18-18-18- | E                        | F                                | G                                   | 100 | H. to   | *** | Land          |            | K                                      | L                                     | М                                      | N  |     | 0                                 |  |
| Kansas City | 9,238              | \$27.61  | \$19.51   | (\$8,30)   | \$ 23.08                 | \$ 15.92                         | 1 i j                               | \$  | 4.53    | \$  | 3.59          | (Sa),(3-1) | \$ 7.62                                | 1907-17                               | \$9.37                                 | \$9.07                                   | \$  | 3.75                              | \$20.73  |
| St. Louis   | 15,439             | \$37.78  | \$24.06   | (513.71)   | \$ 31.43                 | \$ 20.59                         | 11 11 11                            | \$  | 6.35    | \$  | 3.47          | (50.194)   | \$ 5.59                                | (1,44,194)                            | \$1.53                                 | \$1.90                                   | \$  | 2.31                              | 143.44.45  |
| Rural       | 1,683              | \$74.45  | \$17.23   | (\$67.27)  | \$ 58.40                 | \$ 13.69                         | 1                                   | \$  | 16.05   | \$  | 3.54          | (512.54)   | \$ 4.10                                | \$4.24                                | \$2.18                                 | (84) (9)                                 | \$  | 1.01                              | 4 (5) (4) (4, 5)   |

#### SBC Universal Service Study Residence Annual Operating Margin

| Mis          | souri              |             |                                     |  |  |                                  |                                  | Intrastate                         | Interstate                           |                              | Post.                   |
|--------------|--------------------|-------------|-------------------------------------|--|--|----------------------------------|----------------------------------|------------------------------------|--------------------------------------|------------------------------|-------------------------|
| Wire Center  | Residence<br>Lines | Total Lines | Angeneria<br>Angeneria<br>Angeneria | Medical Company of the Second Company of the | To the second se | Vertical Service<br>Gross Margin | Intrastate Toll<br>Gross Margin  | Switched<br>Access Gross<br>Margin | Switching and<br>Transport<br>Margin | Interstate<br>CCL<br>Revenue |                         |
|              |                    |             | The season of the                   |  | Thursday   | A * (Report 3: K)<br>* 12 months | A * (Report 3: L)<br>* 12 months | A * (Report 3: M)<br>* 12 months   | A * (Report 3: N)<br>* 12 months     | Report 2 : M                 |                         |
|              | A                  | В           | 1940 TH 1970                        |  |  | F                                | G                                | Н                                  | 1                                    | J                            | and water to con-       |
| Kansas City  | 9,238              | 68,816      | (\$703.834)                         | (\$104,161)  | .9892,986  | \$844,496                        | (1.7,3(4)                        | \$1,038,174                        | \$1,005,278                          | \$415,942                    | \$2,298,060             |
| St. Louis    | 15,439             | 24,529      | (\$0.507,320).                      | .1552.9 <b>4</b> 31  | [ ] [ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [  | \$1,035,517                      | S174 334.                        | \$283,756                          | \$351,684                            | \$427,591                    | ويدريك والمراجع المراجع |
| Rural        | 1,683              | 1,956       | r\$962,969)                         | 9252 601)  | i etchilia di  | \$82,776                         | \$85,584                         | \$44,088                           | ~, (14,941)                          | \$20,379                     | e estat (gsb)           |
| State Totals | 1,650,086          | 2,386,813   | (\$212,130,714)                     | (\$51,880,379)   | (\$284.0 (1.003)   | \$116,490,145                    | \$10,297,876                     | \$38,714,918                       | (51.551.900)                         | \$26,649,892                 | 5/3310 762)             |

# SBC Universal Service Study Business Monthly Per Line Revenues and Operating Costs

Report 5 December 14, 1998

|             |                   | N             | Iissouri                   |         |                       |            |                     |          |         |          |        | Inters            | state Swi           | tched  |
|-------------|-------------------|---------------|----------------------------|---------|-----------------------|------------|---------------------|----------|---------|----------|--------|-------------------|---------------------|--------|
| Missouri    |                   |               | eraniye perangan<br>Perang | Ca      | st                    | Vertical . | Service             | Intrasta | te Toll | Intras:  |        |                   | Access              |        |
| _,,         | Business<br>Lines | 2015 Carlotte |                            |         | Intrastate Interstate |            |                     |          |         | Switched | Access | Switchii<br>Trans | _                   | ξŽ     |
|             |                   |               |                            |         |                       | Resembly   | Cost                | Revenue  | Cost    | Revenue  | Cost   | Revenue           | Cost                |        |
| Wire Center | A                 | 4             | D                          | E       | $\mathcal{F}_{i}$     | G          | $m{u}_{i},m{H}_{i}$ | I        | 7.      | K        | Œ.     | М                 | $\mathbb{P}(X_{i})$ |        |
| Kansas City | 59,578            | \$39.03       | \$5.62                     | \$23.08 | \$4.53                | \$3.65     | \$0.51              | \$0.55   | \$1.99  | \$5.31   | \$0.45 | \$6.61            | \$3.17              | \$2.03 |
| St. Louis   | 9,090             | \$55.18       | \$5.65                     | \$31.43 | \$6.35                | \$4.16     | \$0.51              | \$2.21   | \$2.73  | \$2.67   | \$0.62 | \$7.74            | \$4.34              | \$2.86 |
| Rural       | 273               | \$27.25       | \$4.93                     | \$58.40 | \$16.05               | \$2.00     | \$0.51              | \$8.91   | \$5.37  | \$3.16   | \$1.22 | \$2.64            | \$8.54              | \$0.94 |

## SBC Universal Service Study Business Annual Revenues and Operating Costs

Report 6 December 14, 1998

|              |                               | Universal             | Service                 |                         |   |                         |              |                         |                            |                         | Inter                     | state Switched A        | 22988             |
|--------------|-------------------------------|-----------------------|-------------------------|-------------------------|---|-------------------------|--------------|-------------------------|----------------------------|-------------------------|---------------------------|-------------------------|-------------------|
| Missouri     | Missouri                      |                       | Cos                     | t                       | Vertical S                              | Service                 | Intrasta     | te Toll                 | Intrastate Swit            | ched Access             | 1,                        |                         |                   |
|              |                               |                       | Intrastate              | Interstate              | *************************************** |                         |              |                         |                            |                         | Switching an              | d Transport             |                   |
|              |                               |                       |                         |                         |   | Cost                    |              | Cost                    |                            | Cost                    | Appendix 1                | Cost                    |                   |
| Wire Center  | 300,425                       | up , 475              | Report 5:<br>A * D * 12 | Report 5:<br>A * E * 12 | 7- 6-27 21<br>1- 6-27 21                | Report 5:<br>A * G * 12 | at or        | Report 5:<br>A * I * 12 | a projection of the second | Report 5:<br>A * K * 12 | # ,pr 3 to 1              | Report 5:<br>A * M * 12 |                   |
|              | hara projection of the second | eages not learn (Arab | c                       | D                       |   | F                       |              | Н                       |                            | ,                       |                           | L                       | CONTRACT CONTRACT |
| Kansas City  | \$27,907,413                  | \$4,019,444           | \$16,499,540            | \$3,241,845             | \$2,611,210                             | \$363,534               | \$393,732    | \$1,424,114             | \$3,793,215                | \$324,576               | \$4,727,311               | \$2,265,435             | \$1,449,478       |
| St. Louis    | \$6,018,779                   | \$616,366             | \$3,427,863             | \$692,791               | \$454,101                               | \$55,465                | \$241,564    | \$297,258               | \$291,455                  | \$67,749                | \$843,934                 | \$472,868               | \$312,477         |
| Rural        | \$89,265                      | \$16,162              | \$191,305               | \$52,585                | \$6,559                                 | \$1,666                 | \$29,178     | \$17,594                | \$10,346                   | \$4,010                 | \$8,661                   | \$27,988                | \$3,064           |
| State Totals | \$344,770,360                 | \$49,292,292          | \$222,2 <b>9</b> 5,412  | \$49,109,202            | \$29,128,307                            | \$4,495,367             | \$20,695,045 | \$19,578,728            | \$24,715,9 <del>9</del> 8  | \$4,462,276             | \$38, <del>9</del> 43,675 | \$31,145,203            | \$13,673,783      |

#### Report 7 December 14, 1998

# SBC Universal Service Study Business Monthly Per Line Operating Margin

|             |                   |                   |  | Bus      | iness Univ               | versal Ser                     | vice                                |                          |                    |                 |   |  | *********                                   | F-11-1  |             |             |
|-------------|-------------------|-------------------|--|----------|--------------------------|--------------------------------|-------------------------------------|--------------------------|--------------------|-----------------|---|--|---|---|-------------|-------------|
| Missouri    |                   | They have         | n aprila signa popular<br>esta di Sala signa<br>de Lisaba sin Dagara |          |                          | Monthly Unive<br>Revenue Calcu |                                     | Tanks of Sec.            |                    |                 | Vertical<br>Service Gross<br>Margin per | Intrastate<br>Toll Gross<br>Margin per | Intrastate Switched Access Gross Margin per | Interstate Switching and Transport Margin per | Revenue per |             |
| Wire Center | Business<br>Lines |                   | Prita<br>a <sub>g</sub> abasan basa<br>agasan                        |          | Average Cost<br>per Line | Average<br>Revenue per<br>Line | Intrastate Gross<br>Margin per Line | SECURITION AND PROPERTY. |                    |                 | Line                                    | Line                                   | Line  | Line  | Line        |             |
| Wire Center |                   | 70 (15)<br>70 (7) | Arrania<br>Service   |          | Report 5: D              | Report 5: B                    | F · E                               |                          | race (energy       |                 | Report 5: F • G                         | Report 5: H - I                        | Report 5 : J - K                            | Report 5: L - M                               | Report 5: N | 242-422     |
|             | A                 | Secondary Contra  | STEEL STEEL  | 1        | E                        | F                              | G                                   | 100 M A 1 S              | and the latest the | Contract in the | K                                       | L                                      | М   | N   | О           | 200 B 375 A |
| Kansas City | 59,578            | \$27.61           | \$44.66  | \$17.04  | \$23.08                  | \$39.03                        | \$15.96                             | \$4.53                   | \$5.62             | \$1.09          | \$3.14                                  | . [ 1 4.4)                             | \$4.85                                      | \$3.44  | \$2.03      | \$29.07     |
| St. Louis   | 9,090             | \$37.78           | \$60.83  | \$23.05  | \$31.43                  | \$55.18                        | \$23.75                             | \$6.35                   | \$5.65             | (\$0-70)        | \$3.65                                  | 75-5 5 1)                              | \$2.05                                      | \$3.40  | \$2.86      | \$34.51     |
| Rural       | 273               | \$74.45           | \$32.18  | (542.07) | \$58.40                  | \$27.25                        | 25, 43, 535                         | \$16.05                  | \$4.93             | (SI: 10)        | \$1.49                                  | \$3.54                                 | \$1.93                                      | A STATE OF A                                  | \$0.94      |             |

#### SBC Universal Service Study Business Annual Operating Margin

| Mis          | souri             |                |               | r ye dariba <b>e</b> d ya ya dae |  |                                  |                                  |   | _  |                              | market party                        |
|--------------|-------------------|----------------|---------------|----------------------------------|--|----------------------------------|----------------------------------|---|--|------------------------------|-------------------------------------|
| Wire Center  | Business<br>Lines | Total<br>Lines | en granden    | nga at                           | en de la companya de<br>La companya de la co | Vertical Service<br>Gross Margin | Intrastate Toll<br>Gross Margin  | Intrastate<br>Switched Access<br>Gross Margin | Interstate<br>Switching and<br>Transport<br>Margin | Interstate<br>CCL<br>Revenue | er jak destektig.<br>Pendentiggisch |
|              |                   |                | g vance on    | ing a suppose of                 | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1  | A * (Report 7: K) • 12 months    | A * (Report 7: L)<br>* 12 months | A * (Report 7: M) * 12 months                 | A * (Report 7: N) * 12 months                      | Report 6 : M                 | T. S. Lak                           |
|              | A                 | В              |               | Company of the Control           |  | F                                | G                                | H   | I  | J                            |                                     |
| Kansas City  | 59,578            | 68,816         | \$11,407,873  | \$777,599                        | \$12,185,473   | \$2,247,677                      | ditjana.sam                      | \$3,468,639                                   | \$2,461,877  | \$1,449,478                  | \$20,782,760                        |
| St. Louis    | 9,090             | 24,529         | \$2,590,916   | (5/6.41%)                        | \$2,514,491  | \$398,635                        | (56) (A-104)                     | \$223,706                                     | \$371,066  | \$312,477                    | \$3,764,681                         |
| Rural        | 273               | 1,956          | 5100 (40)     | (j. 4.,424)                      | See yes analysis   | \$4,893                          | \$11,584                         | \$6,336                                       | (\$10,327)   | \$3,064                      | mila Hai Taana                      |
|              |                   |                |               |                                  |  |                                  |                                  |   |  |                              |                                     |
| State Totals | 736,727           | 2,386,813      | \$122,474,948 | \$183,091                        | \$122,658,039  | \$24,632,940                     | \$1,116,317                      | \$20,253,723                                  | \$7,798,472  | \$13,673,783                 | \$190,133,274                       |

| Missouri     |  |  |  |  | Business  |                                    |   |
|--------------|--|--|--|--|---|------------------------------------|---|
| Wire Center  |  | guestanium kan mining<br>guestanium kan mining<br>guestanium kan mining<br>guestanium kan mining |  | Total Universal<br>Service Gross<br>Margin | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating Margin | Carrier Miles of<br>Opening<br>States of<br>States of the States of |
|              | The state of the s |  | And the first section is a second section of the second section of the second section is a second section of the | Report 8 : E                               | Report 8 : F+ G + H + I + J                                 | Report 8 : K                       |   |
| Kansas City  | (\$897,996)  | \$3,196,056  | \$2,298,060  | <u>δ</u><br>\$12,185,473                   | \$8,597,288   | \$20,782,760                       | \$23,080,821  |
| St. Louis    | (\$2.540,522)  | \$1,924,222  | (\$6+6.300)  | \$2,514,491                                | \$1,250,190   | \$3,764,681                        | \$3,148,381   |
| Rural        | (\$1.155,570)  | \$117,886  | (\$1,070,685).   | (\$138,464)                                | \$6,551   | (\$131.913)                        | (\$1.169),199)  |
| State Totals | (\$264.011.093)  | \$190,600,931  | <b>(\$</b> 73,410,1 <b>62)</b>   | \$122,658,039                              | \$67,475,235  | \$190,133,274                      | \$116,723,112   |

#### SBC Universal Service Study Missouri Annual Summary

|                                    |                                 |  | Residence  |   |  |                                     |
|------------------------------------|---------------------------------|--|--|---|--|-------------------------------------|
| Total Universal<br>Service Revenue | Total Universal<br>Service Cost | Tatal Universal<br>Service Grant<br>Margin | Total Vertical<br>Services, Toll and<br>Access Revenue | Total Vertical<br>Services, Toll and<br>Access Cost | Total Contribution<br>from Vertical<br>Services, Toll, and<br>Access | Total Residence<br>Operating Margal |
| Report 2: Total<br>A + B           | Report 2: Total<br>C+D          | Rapers de Tonal<br>E                       | Report 2: Total<br>E+G+I+K+M                           | Report 2: Total<br>F+H+J+L                          | Report 4: Total<br>F+G+H+I+J   | Report of Table<br>K                |
| A                                  | В                               | ć.   | D  | E   | F  | G                                   |
| \$383,296,927                      | \$647,308,021                   | (\$264,011,093)                            | \$332,290,173  | \$141,689,241                                       | \$190,600,931  | (\$73,410,162)                      |

|                                    |                                 |  | Business   |   |  |                                    |
|------------------------------------|---------------------------------|--|--|---|--|------------------------------------|
| Total Universal<br>Service Revenue | Total Universal<br>Service Cost | Total Universal<br>Service Grass<br>Margin | Total Vertical<br>Services, Toll and<br>Access Revenue | Total Vertical<br>Services, Toll and<br>Access Cost | Total Contribution<br>from Vertical<br>Services, Toll, and<br>Access | Total Business<br>Operating Margin |
| Report 6: Total<br>A + B           | Report 6: Total<br>C+D          | Report & Total                             | Report 6: Total<br>E + G + I + K + M                   | Report 6: Total<br>F+H+J+L                          | Report 8: Total<br>F+G+H+I+J   | Report 3: Total                    |
| Н                                  |                                 |  | K  | L   | М  | H                                  |
| \$394,062,652                      | \$271,404,613                   | \$122,658,039                              | \$127,156,809  | \$59,681,573  | \$67,475,235   | \$190,133,274                      |

|  |   | Total                                |                                   |                       |
|--|---|--------------------------------------|-----------------------------------|-----------------------|
| Total Explicit<br>Universal Service<br>Funding | Miscellaneous<br>Services, e.g.,<br>Directory, Cellular<br>Interconnection,<br>etc., Contributing to<br>Universal Service | Total Switched<br>Operating Revenues | Total Switched<br>Operating Costs | Total Sylickel Hargin |
|  |   | A+D+H+K+O+P                          | B+E+I+L                           | 2.2                   |
| 0  | P   | Q                                    | R                                 | \$ 600                |
| \$0  | \$56,176,455  | \$1,292,983,016                      | \$1,120,083,449                   | \$172,899,567         |

#### SBC Universal Service Study Missouri Reconciliation

| Line 1. | I/S - Total Missouri Operating Revenue  | \$          | 1,699,091,766   |
|---------|---|-------------|-----------------|
|         | (General Ledger, "5000" Accounts)   |             |                 |
|         | a. Less exclusions  |             |                 |
|         | Inter/Intrastate Special Access (Various Rev. Accts. From MR4a)   | \$          | 103,461,768     |
|         | Inter/Intrastate Private Line (Various Rev. Accts. From MR4a)   | \$          | 42,356,766      |
|         | Other Operating Revs (Accts. 5250, 5262, 5264.29W)  | \$          | 10,226,319      |
|         | Non-Regulated (Acct. 5280)  | \$          | 181,194,413     |
|         | Intrastate Access Expense net against Toll Revs. (Acct. 6540)   | \$          | 66,523,706      |
|         | Rent Revenues included in Expenses (Acct. 5240)   | \$          | 4,653,523       |
|         | SNFA & Miscellaneous (SACAS, Study Model)   | \$          | 4,917,144       |
|         | Uncollectible for services not included in study  | \$          | (7,224,889)     |
|         | b. VS - Total Missouri Switched Operating Revenues  | \$          | 1,292,983,016   |
|         | (Line 1 - Line 1a)  |             |                 |
|         | c. Study - Total Missouri Switched Revenues   | \$          | 1,292,983,016   |
|         | (Report 10, Column P)   |             |                 |
|         | d. Difference between I/S & Study   | \$          | (0)             |
|         | (Line 1b - 1c)  |             |                 |
| Line 2. | I/S - Total Missouri Operating Expenses (General Ledger, "6000" Accounts)   | \$          | (1,286,141,783) |
|         |   |             |                 |
|         | a. Less exclusions Inter/Intrastate Special Access & Private Line (SACAS, Study Model)                            | ¢           | (110,743,329)   |
|         | Non-Regulated & SNFA (SACAS)  | \$<br>\$    | (143,942,794)   |
|         | Other Income & Expense (Accts. 7110, 7150, 7160)  | \$<br>\$    | (140,042,704)   |
|         | Intrastate Access Expense net against Toll Revs. (Acct. 6540)   | \$          | (66,523,706)    |
|         | b. Plus inclusions  |             |                 |
|         | Contributions (Acct. 7370.2)  | \$          | (4,593,102)     |
|         | Rent Revenues included in Expenses (Acct. 5240)   | \$          | 4,653,523       |
|         | c. I/S - Total Missouri Switched Operating Expenses   | \$          | (964,871,533)   |
|         | (Line 2 - Line 2a + Line 2b)  | <del></del> |                 |
|         | d. Study - Total Missouri Switched Operating Costs  | \$          | (1,120,083,449) |
|         | (Report 10, Column Q)   |             |                 |
|         | e. I/S - Total Missouri Switched Operating Taxes (Total Missouri Switched Operating Tax Reconciliation @ Line 4d) | \$          | (155,211,832)   |
|         | f. Study - Total Missouri Switched Operating Expenses   | <u> </u>    | (964,871,617)   |
|         | (Line 2d - Line 2e)   |             | (304,071,017)   |
|         | g. Difference Between I/S & Study **  | \$          | 84              |
|         | (Line 2c - Line 2f)   |             |                 |

## SBC Universal Service Study Missouri Reconciliation

#### Line 3. Missouri Switched Net Income

| Line o. | impoodii omtoned net moome  |                     |
|---------|---|---------------------|
|         | a. I/S ADJUSTED NET INCOME  | \$<br>172,899,651   |
|         | (Line 1b + Line 2c + Line 2e)                                       |                     |
|         | b. STUDY NET INCOME   | \$<br>172,899,567   |
|         | (Line 1c + Line 2d)   |                     |
|         | c. Difference between I/S & Study ***                               | \$<br>84            |
|         | (Line 3a - Line 3b)   |                     |
| Line 4. | Total Missouri Switched Operating Tax Reconciliation                |                     |
|         | a. TUAR - Total Missouri Operating Tax Expense                      | \$<br>(180,817,247) |
|         | (General Ledger, "7200" Accounts)                                   |                     |
|         | b. Less exclusions - Other Operating Taxes                          |                     |
|         | Inter/Intrastate Special Access & Private Line (SACAS, Study Model) | \$<br>(11,297,785)  |
|         | Non-Regulated & SNFA (SACAS)  | \$<br>(4,626,108)   |
|         | c. Less exclusions - Federal Income Taxes                           |                     |
|         | Inter/Intrastate Special Access & Private Line (SACAS, Study Model) | \$<br>(9,952,522)   |
|         | Non-Regulated & SNFA (SACAS)  | \$<br>(16,951,048)  |
|         | Booked Deferred FIT (Acct. 7250)                                    | \$<br>17,222,048    |
|         | d. TUAR - Total Missouri Switched Operating Taxes                   | \$<br>(155,211,832) |
|         | (Line 4a - Line 4b - Line 4c)                                       |                     |

<sup>\*</sup> I/S = Income Statement (MR10I) of Southwestern Bell Telephone Co. for the State of Missouir for the year ending December 31, 1997

<sup>\*\*</sup> Difference is due to operating cost rounding in the study model

<sup>\*\*\*</sup> Difference is attributable to differences identified @ Line 1d & Line 2g

| Missouri       |  | To the second second  |   |  | Business  |                                       | Total Wire                                    |
|----------------|--|---|---|--|---|---------------------------------------|---|
| Wire<br>Center |  | Commission point<br>Version and the Commission of t | Paragraphic State of the Control of | Total Universal<br>Service Gross<br>Margin | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating<br>Margin | Certier<br>Swigeheid<br>Operating<br>Witnesin |
|                | All the second s |   |   | Report 8 : E                               | Report 8 : F+ G + H + I + J                                 | Report 8 : K                          |   |
|                |  |   | epart, irm my Martiners, reg  | D  | E   | F                                     | The second second second                      |
| 1              | 5,769 (179)  | \$116,132   |   | , 71                                       | \$7,285   | (54s (1 + s)                          | profit to Milit                               |
| 2              | 187 F. H. 1989   | \$117,886   | 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -   | 14 - we ( ) 1                              | \$6,551   | (Statistic)                           | - 14 th - 15 th                               |
| 3              | 11 15 15 15  | \$19,059  | 11 11 11 11   | gs bejediji                                | r (Sai 1.8)   | 1816, 13                              |   |
| 4              | +[ 818 1 - c 2 ];  | \$83,702  | **** (1991)   | \$86,084                                   | \$4,644   | \$90,729                              |   |
| 5              | (0.03)   | \$15,643  | . 1911  |  | \$3,110   | , <b>86</b> , 14 15                   |   |
| 6              |  | St 4.5v   | C141.31   |  | \$568   | Jan 1990.                             | A-1-  |
| 77             | . 1979)  | 19 mg (1 🛊 🕻 )  |   | AND STREET                                 | : 11 (173)  | (\$10° 1-4).                          | 1. j. 1 124 v.                                |
| 8              | Specific C   | \$16,555  | , 188, 174,   | \$7,502                                    | \$10,194  | \$17,697                              | 4.7   |
| 9              | + 14 (36.77)   | \$59,925  | 11 1 1 4 N  | Kalan sagar                                | \$938   | 经基本证                                  | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1      |
| 10             | 15. July 1984 A.   | \$158,916   | 5 14 15   | Exp. 122                                   | \$6,409   | and a local                           | . 1241  |
| 11             | (e) - 1 ()   | \$164,207   | 198 (8)   | 6, X 1 (18 ).                              | \$18,236  | (\$10,1757)                           | 4 - 4 - 2 - 2 + 4 - 3                         |
| 12             | (A. g. 296)  | \$45,206  | 5 - 140 (14)  | \$19,635                                   | \$3,994   | \$23,629                              |   |
| 13             | in the second  | \$2,432,003   | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1   | \$1,508,514                                | \$309,875   | \$1,818,389                           | \$1,787,630                                   |
| 14             | r Zasisv Z,  | \$196,155   | 874 J. (1949)   | A.7 H)                                     | \$7,448   | (#27 / 7x, 27                         | 19 (A) (A)                                    |
| 15             | gyt saa osty   | \$592,651   | A Company of A  | photo in the                               | \$85,569  | \$17,536                              | unio al fare                                  |
| 16             | 120 A 3 CC x 1 Aby   | \$489,966   | en el lawie   | 14 x 14 h 21                               | \$211,610   | \$62,631                              | 4, 7, 4, 1994                                 |
| 17             | $q \mapsto k + k + k q Q M$  | \$324,072   |   | 4 4 4 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1    | \$126,239   | \$103,297                             | 29 H 31 T 41                                  |
| 18             | 10 (1016)  | \$215,567   | e \$14 -  | 54 /4. j                                   | \$17,665  | \$1,950                               | a the Mi                                      |
| 19             | (A. 1989)  | \$122,408   | 16 J. (19 <sub>0</sub> )  | i Barang                                   | \$22,789  | (\$79,743)                            | p 4 1 1                                       |
| 20             | 54 f 4 7 (R)   | \$286,611   | Literature Control of Charles   | 100000000000000000000000000000000000000    | \$80,938  | (Saper, 1955)                         | N. 14 4 W                                     |
| 21             | u sin ya ta fa Wiy   | \$136,922   | 4.5 (1.4)   | \$39,638                                   | \$1,848   | \$41,486                              | 1. 1  |
| 22             | plant their  | \$81,150  |   | i ye. Ash                                  | \$21,240  | \$14,415                              | ,e1   |
| 23             | 5 in 1 in 1277 (\$   | \$1,924,222   | 4 F 10g   | \$2,514,491                                | \$1,250,190   | \$3,764,681                           | \$3,148,381                                   |
| 24             | At a set y   | \$230,093   | 12 m (40 m)   | \$4,953                                    | \$26,859  | \$31,812                              | \$14,893                                      |
| 25             | $e^{2}(1, -4, -6, -2)$   | \$825,747   | \$160,781   | \$174,145                                  | \$312,959   | \$487,104                             | \$647,884                                     |
| 26             | 7 of 910   | \$523,838   | \$121,891   | tistajas kaj                               | \$62,375  | \$45,729                              | \$167,619                                     |
| 27             | ppl call cuttin  | S0 50,30 B  | . 1 V 1 Wys   | 2 + 2 + 4 + 3 + 4 + 3                      | (\$17,369)  | 15214 Farn                            |   |
| 28             | 284-11- Lbg  | 154h) 3777  | (in the stage   | in the second second                       | \$8,799   | (58.1719                              | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1      |
| 29             | \$ 18 T 17 A 48 4 W  | \$65,337  | 11 (44)   | - 4 g 1 - 1 - 1                            | \$23,613  | -5444                                 | The state of                                  |
| 30             | 27 (1 Dr. N. Kg)   | 575 (a.f. 1)  | 5 - 2 - 55 d at   | 5.4.4.7                                    | g2.2421   | (ST1)28;                              |   |
| 31             | 1 90%  | \$195,444   | e e esta  | 4 1 (A)                                    | \$26,253  | \$17,411                              |   |
| 32             | (Jan 1984)   | \$459,232   | No. 19 de la  |  | \$200,865   | (5.5.3.1.7.1 <sub>1</sub> ))          |   |
| 33             | 28 - 27 - 2 - 24   | \$30,678  |   | 1.7  | \$34,626  | \$17,190                              |   |

| Missouri       |                                   | Re, thence   |  |                     | Business  |                                       | Total Wire                                |
|----------------|-----------------------------------|--|--|---------------------|---|---------------------------------------|---|
| Wire<br>Center | Total garrosal<br>Sirita creas    | Contribution from<br>Terrical Services,<br>Stott, and Access   | Continue form  |                     | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating<br>Margin | Center<br>Switched<br>Operating<br>Margin |
|                |                                   | The state of the s |  | Report 8 : E        | Report 8: F+G+H+I+J   | Report 8 : K                          | Call                                      |
|                |                                   |  | and the second property of the Control of the Contr | D                   | E   | F                                     | Liu Granda                                |
| 34             | of a training                     | \$15,660   | ·  | * 10 × 1            | \$3,798   | <u> </u>                              | Post 1 day                                |
| 35             | Production,                       | \$2,956,738  | . (1)  | \$430,379           | \$1,029,580   | \$1,459,959                           | \$1,333,093                               |
| 36             |                                   | \$143,645  |  | \$10,400            | \$19,139  | \$29,539                              |   |
| 37             | , 60 and                          | \$973,133  |  | 4 to 4 to 5         | \$354,042   | \$182,957                             | <b>!</b>                                  |
| 38             | g to the same                     | \$213,499  |  | , 1 ×1 × 1          | \$40,358  | 48.74.164                             |   |
| 39             |                                   | \$467,241  | \$130,677  | \$64,561            | \$161,944   | \$226,505                             | \$357,182                                 |
| 40             | 4                                 | \$46,260   |  |                     | \$1,854   | V.31                                  |   |
| 41             |                                   | \$436,253  | <u> </u>   | 5 - 1               | \$32,791  | 497,4 (94)                            |   |
| 42             | 50 Sec. 15 Ve                     | \$19,107   | 1.47   | + 4, 1, 1, 1, 1 a i | \$3,930   | 4980.90 s                             |   |
| 43             | 1.8144                            | \$8,301  | 1 40° 1  |                     | .54,4471  | age dividy                            |   |
| 44             | 1. (1)                            | \$495,600  |  | 1.4                 | \$132,622   | \$95,201                              |   |
| 45             | A CALL                            | \$99,072   |  |                     | \$29,184  | Minus and                             |   |
| 46             |                                   | \$351,517  |  |                     | \$88,293  | [344 A.C.]                            |   |
| 47             | Service of                        | \$189,429  |  | 1 3 3 4 4 7 4       | \$18,538  | 15 1 P 11                             |   |
| 48             | 696 7 4                           | \$289,177  | . 11   | 0.000               | \$31,855  | \$10.1 ,                              | 1 4 4 4                                   |
| 49             | 81 1 (14)                         | \$45,595   | ļ.,  |                     | \$2,797   | a planta et a                         |   |
| 50             |                                   | \$283,619  |  | \$451,003           | \$78,243  | \$529,245                             | \$260,197                                 |
| 51             |                                   | \$451,739  | 1  | \$323,517           | \$58,183  | \$381,701                             | \$224,983                                 |
| 52             |                                   | Egy Addisologie  |  | - , \$ \$ ·         | \$2,152   | Participants                          | to the second                             |
| 53             | 11.000                            | \$48,666   | 1 11   | es Albana           | \$2,047   | 1817 1 19                             |   |
| 54             | 4.4 (1) (4.4)                     | \$846,548  |  | \$87,734            | \$214,925   | \$302,659                             | ,   |
| 55             |                                   | \$942,705  |  | 14.7 4.4            | \$267,924   | 5797, 165                             |   |
| 56             |                                   | \$1,454,826  | \$601,658  | \$2,087,699         | \$434,616   | \$2,522,315                           | \$3,123,973                               |
| 57             |                                   | 1861, as a   | 14.14  | 47.47 (49.)         | \$1,903   | (£40,863)                             | 1.41                                      |
| 58             | 4 17 17 1                         | et in a faire  | 1 14 14 14 14 14 14 14 14 14 14 14 14 14   | , 4 - 10.3          | (55.646)  | the out to                            | 1.00                                      |
| 59             | 2 - 44.14                         | \$39,407   | 1.1  | 4 1 4 1             | (80.1.1690)   | (\$30,4)                              | · · · · · ·                               |
| 60             | 16 to 3 to 3 to 3                 | \$1,157,003  | 1 (4)  | and the end of      | \$459,040   | \$319,037                             |   |
| 61             | 15 1 15 13                        | \$393,122  |  |                     | \$38,500  | 15.771,071)                           |   |
| 62             |                                   | \$801,686  |  | \$333,057           | \$247,751   | \$580,809                             | \$ 100                                    |
| 63             | a de la compa                     | \$27,289   |  |                     | 1464-96   | 1544 (1847)                           |   |
| 64             | 497 753                           | \$155,777  | 1 1  | 3 - 94 - A          | \$18,919  | \$4,463                               |   |
| 65             | $x_{1}, x_{2} \in \{0, 1, 2, 3\}$ | \$31,762   | 8.   |                     | \$7,852   | 13.13 / 30s                           |   |

| Missouri       |  | Testa de la                                    |                                      |  | Business  |   | Total:Wire:                               |
|----------------|--|--|--------------------------------------|--|---|---|---|
| Wire<br>Center | Take Converse.   | a in course in the contract of the contract in | Titud Reviteries<br>Therefore Mergin | Total Universal<br>Service Gross<br>Margin | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating<br>Margin                   | Center<br>Switched<br>Operating<br>Margin |
|                | Territoria de la compansión de la compan |  |                                      | Report 8 : E                               | Report 8: F+G+H+I+J   | Report 8 : K  | *** C4#                                   |
|                |  |  |                                      | D  | E   | F   |   |
| 66             | 7 3 44,800   | ,5,40,1 (c)                                    | 1 < 174                              |  | \$18,599  | 15%   | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1  |
| 67             | 8 (5.24) (4.24)  | \$447,030                                      | e e francisco y                      | \$105,194                                  | \$70,567  | \$175,760   | \$56,213                                  |
| 68             | X + 2 (1 + 1)  | \$295,696                                      | . Stage                              |  | \$126,658   | \$121,058   | \$77,462                                  |
| 69             | 2,480,703  | \$534,651                                      | \$217,948                            | \$483,905                                  | \$52,911  | \$536,816   | \$754,763                                 |
| 70             | 1 11   | \$144,797                                      |                                      | \$150,051                                  | \$22,137  | \$172,188   | \$153,069                                 |
| 71             | $v \sim g  V c$  | , Mare   | 1434                                 |  | \$364   | gas services 1  | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1  |
| 72             | 9 (1)  | \$184,666                                      | 1 4                                  |  | \$74,098  | \$64,437  | 6.1747)                                   |
| 73             | 1 11   | \$52,745                                       |                                      |  | (544)   | di tandat   | 5 No. 1967 6                              |
| 74             | 4,700,000  | \$1,088,154                                    |                                      |  | \$484,067   | \$456,078   | 4,750.1                                   |
| 75             | ent (a. 5)   | \$62,491                                       | 94.1                                 | , egit est                                 | \$6,573   | djali e a ti  | 1 - F - H2E 1                             |
| 76             | and the New York   | \$92,457                                       | e to the party                       |  | \$60,112  | 194 (183)   | 6 5 6 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7   |
| 77             | 16 (10)  | . E * + 5870 P                                 |                                      |  | , 1(±3,₹,(x3)   | (5.000, 4.0)  | 9.15.314                                  |
| 78             | \$1,299,657  | \$3,821,956                                    | \$5,121,613                          | \$3,852,717                                | \$819,512   | \$4,672,229   | \$9,793,841                               |
| 79             | 8 8 1 4 4 6  | \$675,666                                      | 1.7                                  |  | \$83,920  | rýn á flumen  | 1   |
| 80             |  | \$4,131,269                                    | a atrij                              | \$756,744                                  | \$1,722,159   | \$2,478,904   | \$1,494,488                               |
| 81             | 1. 2004.0  | \$100,383                                      | for a gr                             |  | \$5,403   | $e^{i \frac{1}{2} i \hat{Q}_{ij} + i \hat{q}_{ij}}$ (3) | La Taraj                                  |
| 82             | 1.30 to 10 Proj  | \$1,581,715                                    | \$472,320                            |  | \$343,870   | \$163,733   | \$636,053                                 |
| 83             |  | \$688,665                                      | 9 m 14.                              | 1.0  | \$106,808   | (\$464,900)   |   |
| 84             | 1, 4 (1)   | \$671,117                                      | \$10,000                             | \$58,682                                   | \$355,296   | \$413,977   | \$129,734                                 |
| 85             |  | \$1,992,760                                    | \$499,946                            | \$1,977,282                                | \$736,299   | \$2,713,581   | \$3,213,527                               |
| 86             | 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -  | \$4,089,565                                    | \$222,918                            | \$3,201,422                                | \$923,202   | \$4,124,624   | \$4,347,543                               |
| 87             |  | \$2,576,009                                    | \$446,370                            | \$813,732                                  | \$157,925   | \$971,658   | \$1,418,028                               |
| 88             |  | \$2,720,149                                    | \$901,682                            | \$4,976,870                                | \$1,703,694   | \$6,680,564   | \$7,582,246                               |
| 89             |  | \$1,544,538                                    | 5 4 347                              | \$799,477                                  | \$162,225   | \$961,701   | 61.500.69                                 |
| 90             |  | \$2,984,202                                    | \$153,884                            | \$2,094,396                                | \$374,170   | \$2,468,566   | \$2,622,450                               |
| 91             | ,  | \$2,460,187                                    | \$425,365                            | \$2,376,795                                | \$160,142   | \$2,536,937   | \$2,962,301                               |
| 92             | N  | \$2,930,872                                    |                                      | \$1,982,423                                | \$552,737   | \$2,535,159   | \$1,314,982                               |
| 93             |  | \$2,380,695                                    |                                      | \$1,757,626                                | \$285,941   | \$2,043,566   | \$1,682,808                               |
| 94             | 1 ( 1 4 4 3  | \$3,419,359                                    | \$552,327                            | \$1,746,416                                | \$293,526   | \$2,039,942   | \$2,592,269                               |
| 95             | \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \  | \$1,000,611                                    |                                      | \$297,704                                  | \$26,271  | \$323,975   | 1.5 (th.)" (t                             |
| 96             | 4 4 7 4 4 1  | \$2,607,150                                    |                                      | \$1,644,184                                | \$317,647   | \$1,961,831   | \$274,235                                 |
| 97             | programme sites  | \$1,088,929                                    |                                      | \$695,081                                  | \$189,282   | \$884,363   | 1.  |

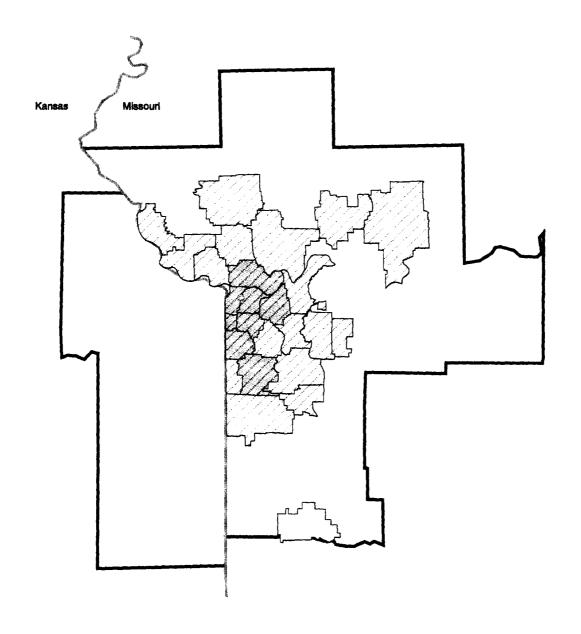
| Missouri       |  |  |                                   |                                      | Business  |                                       | Total Wire.                               |
|----------------|--|--|-----------------------------------|--------------------------------------|---|---------------------------------------|---|
| Wire<br>Center | Totalistic format<br>Stories Control<br>Manager  | Bill Control (Control and France)  Alex Gross Partial Services   | Trade Novalence<br>Openiday Marya | Total Universal Service Gross Margin | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating<br>Margin | Center<br>Switched<br>Operating<br>Margin |
|                |  | rania di <b>pergalampan</b> a partir dan bermana.<br>Tahun mengan di Penganan di Ambandan dan bermanan di kacamatan dan bermanan dan bermanan dan bermanan dan ber |                                   | Report 8 : E                         | Report 8: F+G+H+I+J   | Report 8 : K                          | C+P;                                      |
|                |  |  | i di negra Grazia di              | D                                    | E   | F                                     | <b>G</b> ire                              |
| 98             | 65 45 1 7  | \$498,313  | 6,700 (3)                         | \$112,471                            | 5,50,7610)  | \$96,530                              | 184 111 - 841                             |
| 99             |  | \$1,095,358  | 1 1 1                             | \$1,150,893                          | \$292,456   | \$1,443,349                           | \$88,188                                  |
| 100            | 17 (1 3 ) Lip  | \$1,284,695  | e i i i i i i i                   | \$1,118,823                          | \$307,299   | \$1,426,121                           | 1 1 1 1 1 1                               |
| 101            | 2000 1000  | \$3,196,056  | \$2,298,060                       | \$12,185,473                         | \$8,597,288   | \$20,782,760                          | \$23,080,821                              |
| 102            |  | \$340,187  |                                   |                                      | \$69,597  | v far Kill                            |   |
| 103            | 1  | \$82,789   | ÷                                 |                                      | \$2,840   | 8 3 35                                |   |
| 104            |  | \$96,319   |                                   |                                      | \$12,695  | 455, 15a - 7                          |   |
| 105            | 1  | \$196,998  | 1                                 | 1. : ,                               | \$8,020   | 1947+03                               |   |
| 106            | 5,5 %  | \$3,378  |                                   |                                      | \$35,444  | A trap to a co                        | 7 V 1 V 2 V                               |
| 107            | 11 F 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1   | \$175 B117   | t exty.                           | 1 1 1 1                              | 51345G)   | 5 45 35 15                            |   |
| 108            | What is  | \$79,575   | . 1                               | 4, 4,                                | \$9,287   | gade with                             |   |
| 109            | 16 July 1  | \$56,489   | 1                                 | 1.497                                | \$15,570  | 9 44, 13 A.                           | . 1                                       |
| 110            | 1 4 7 7 1 1  | \$329,474  |                                   | 1.75 4.44                            | \$65,054  | 2/37 (1.5.)                           |   |
| 111            | 7147   | \$1,334,587  | \$203,211                         | \$144,737                            | \$374,086   | \$518,823                             | \$722,034                                 |
| 112            | 1317 200   | \$21,616   | 40 41                             | .!! : . ;                            | \$2,707   | \$25 \$\$0 \$30 a re                  | 49 (1997)                                 |
| 113            |  | \$11,841   |                                   | 1 4 5,4                              | \$1,747   | v: (4), 1                             | 1.1                                       |
| 114            | 80, 80, 761  | \$903,602  |                                   |                                      | \$435,159   | \$357,177                             | 1 1 1                                     |
| 115            | 1 g x 1 4 1 1  | \$490,456  | 1 1 1 1 1 1                       | .1.1                                 | \$109,021   | \$66,509                              |   |
| 116            | 4.7  | \$3,924,767  | \$2,256,921                       | \$3,610,049                          | \$924,043   | \$4,534,092                           | \$6,791,013                               |
| 117            |  | \$572,393  |                                   | \$127,349                            | \$256,705   | \$384,054                             | \$255,778                                 |
| 118            | 1,3 (4)  | \$208,091  |                                   | a ta fish                            | \$24,730  | df20-77dj                             |   |
| 119            |  | \$203,738  | . 1                               |                                      | \$5,546   | Stort Inc. i                          |   |
| 120            |  | \$69,869   | - 1 P                             | 1. (41)                              | \$744   | e 14 (13 (14 )                        |   |
| 121            | 40.0   | \$127,502  |                                   | \$21,030                             | \$21,620  | \$42,650                              |   |
| 122            | 19 13 ma   | \$1,009,148  | \$78,162                          | \$130,129                            | \$216,856   | \$346,985                             | \$425,147                                 |
| 123            | 8.74   | \$57,425   | 191                               |                                      | \$37,387  | \$175                                 |   |
| 124            | 18.17 No. 1  | \$223,656  | )                                 |                                      | \$64,499  | 10384.                                |   |
| 125            | Secretaria de la compansión de la compan | \$1,934,622  | \$549,804                         | \$1,378,377                          | \$244,230   | \$1,622,607                           | \$2,172,411                               |
| 126            |  | \$816,494  |                                   | \$3,858                              | \$316,225   | \$320,083                             |   |
| 127            |  | \$752,553  | ·                                 | \$138,084                            | \$323,023   | \$461,108                             | \$341,098                                 |
| 128            | 10.78 1.79   | \$499,417  |                                   | \$131,279                            | \$51,233  | \$182,512                             |   |
| 129            | at a   | \$19,026   |                                   |                                      | 31 (30)   | (5.18), 1, 6 (                        |   |

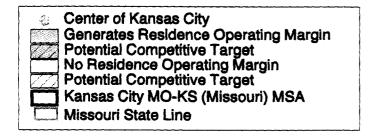
| Missouri       |  | . Residence                              | reconstructive de la constructive de la constructiv |                                       | Business  |  | Total: Wire                                  |
|----------------|--|--|--|---------------------------------------|---|--|--|
| Wire<br>Center | Total Craversul<br>Service Crass<br>Scient pre | Service Gross - Vertical Stancium        | Tund Röstilenör<br>Spiratog Maryin   | Total Universal Service Gross Margin  | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating<br>Margin    | Center.<br>Switched:<br>Operating,<br>Margar |
|                | ung anné les a                                 | And a series of the series of the series |  | Report 8 : E                          | Report 8: $F+G+H+I+J$                                       | Report 8 : K                             | C#P  |
|                | A PART A                                       |  | Library Crustilian   | D                                     | E   | F  | G. Harris                                    |
| 130            | 1 (1996) 34g                                   | \$195,609                                | 25 A 5 1 5 1   | \$2,881                               | \$41,082  | \$43,964                                 | 1 Hara ti                                    |
| 131            | e disciplina                                   | \$24,786                                 |  |                                       | 33.1 (0.1)  |  | 1. 6. 8. 8.                                  |
| 132            | 15 and the                                     | - 21 - 1 V                               |  |                                       | 453, 140,   | 15 15 15 15 15 15 15 15 15 15 15 15 15 1 | 1 11   |
| 133            | ·1, ·0/4 ) }                                   | \$169,187                                |  | · .                                   | \$15,949  | \$8,312                                  | 100  |
| 134            | en falls                                       | \$341,536                                |  | · · · · · · · · · · · · · · · · · · · | \$180,065   |  |  |
| 135            | 14 - 1   | \$83,788                                 |  | · · · · · · · · · · · · · · · · · · · | (A1.5) is   | 5 (1) (1)                                | terries.                                     |
| 136            | 1 (1   | \$446,477                                |  | \$300,741                             | \$122,402   | \$423,143                                | \$254,331                                    |
| 137            | A production of the second                     | 194, 841                                 | . 14 900   |                                       | (5) 300 (   | 23.00 (1.54                              | 1.4.54 a                                     |
| 138            | 1.44, 5.69,                                    | \$271,239                                | e takent   | 9. (4.6 H                             | \$45,913  | \$25,890                                 | 1.0444                                       |
| 139            | 1.4 (t. 4) g                                   | \$869,286                                |  | \$539,342                             | \$104,699   | \$644,041                                | \$342,457                                    |
| 140            | r  | \$1,823,410                              |  |                                       | \$581,563   | \$532,998                                | 771  |
| 141            | a, tak   | \$75,071                                 |  | 7 - 7 - 6                             | \$10,085  | Acceptally                               | .)   |
| 142            | 124 4714 (86)                                  | % et ≥ . [}.                             |  |                                       | 1号 机体)  | (1.7%) 450                               | 1. J. C. T. H.                               |
| 143            | 5 (10.05)                                      | \$592,546                                | · · · · · · · · · · · · · · · · · · ·  |                                       | \$47,231  | Part Care                                | 1 11 11 11 11                                |
| 144            | 10 A.M.  | \$111,075                                |  | 10 miles                              | \$13,561  | (1861 (n. 19                             | 0.000  |
| 145            | 1971, Oak                                      | \$148,773                                |  |                                       | \$31,697  | \$14,783                                 |  |
| 146            | \$66,243                                       | \$375,698                                | \$441,941  | \$245,107                             | \$55,746  | \$300,853                                | \$742,794                                    |
| 147            | . 6 - 11 - 11                                  | \$10,121                                 |  |                                       | (\$178 m)   | 85 P. (9.4)                              | ."   1 +)                                    |
| 148            | 3.0 (4.16)                                     | \$73,802                                 |  |                                       | \$4,655   | 45 Ge 4 1 H                              | 5 (4 (54))                                   |
| 149            |  | \$327,916                                | 19 A   |                                       | \$81,772  | \$68,103                                 | 200  |
| 150            | 17 (4.4)                                       | \$21,703                                 |  | 1 7 1 7 1                             | \$391   | 374.00.0                                 |  |
| 151            |  | \$20,152                                 |  |                                       | \$3,432   | 311111                                   |  |
| 152            |  | \$202,020                                |  | \$118,089                             | \$44,784  | \$162,873                                |  |
| 153            | ·  | (1) (1) (1)                              |  | Ta 3 7 7 4                            | 78 ( J. 18)   | (See 4. 1)                               | 11 1 1 1 1 1                                 |
| 154            | to a supplied                                  | 1 98 July                                |  | F1 - 1 - 1                            | (54.547)  | (§168 ( + 1 ))                           | 1.0.004                                      |
| 155            | . 4. 6. 0                                      | \$344,713                                |  | (A)                                   | \$15,860  | \$3,025                                  |  |
| 156            | to test of the                                 | \$1,824,321                              |  | 1 1 1                                 | \$504,048   | \$229,267                                |  |
| 157            | The section                                    | \$94,531                                 |  | \$5,486                               | \$12,151  | \$17,637                                 |  |
| 158            | The Article                                    | \$256,555                                |  | Televisia (                           | \$70,850  | State of the state of                    | 9 (11.91)                                    |
| 159            | 7 (C. 1)                                       | \$2,025,719                              | \$791,078  | \$260,722                             | \$577,038   | \$837,759                                | \$1,628,837                                  |
| 160            | 1 1 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1        | \$128,180                                |  |                                       | \$54,095  | \$27,321                                 |  |
| 161            | 1.00   | 新元 1 · [4] 4                             |  |                                       | \$2,653   | 1.56(\$1) h                              | 7.1  |

| Missouri       |  | T. R. Marie  |  |  | Business  |  | Total Wire                                |
|----------------|--|--|--|--|---|--|---|
| Wire<br>Center | Transcontinuedia<br>Series Greek<br>Margine  | Condition and Journal Western Sciences   | Pagastine transce<br>Speciality Language   | Total Universal<br>Service Gross<br>Margin | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating<br>Margin  | Genter<br>Switchen<br>Operation<br>Margin |
|                | Property and the second | ene in the transport of the state of the sta | Hayord K.                                  | Report 8 : E                               | Report 8 : F+ G + H + I + J                                 | Report 8 : K   | C+B contract                              |
|                | Manager and the same and the same and  | arthresia in <b>M</b> orae periodente  | ment of Countries                          | D  | E   | F  | G. G.                                     |
| 162            | ing period Capathi   | (47.5.9)   | . , 1 (15), 14                             | · · · · · · · · · · · · · · · · · · ·      | (51.344)  | (5, 1)   | a giriga mina.                            |
| 163            |  | Carlo Bast   |  |  | \$44,218  | 15114  | 4, 6,3,37,9                               |
| 164            | 1, 3 6, 5  | \$5,464,510  |  | \$1,823,952                                | \$1,797,118   | \$3,621,070  | \$3,192,510                               |
| 165            | 9 11   | \$172,860  | 1 1 1                                      | 1 10                                       | A terral  | e jan de la companya |   |
| 166            | 1 A A  | \$5,438,822  |  | \$2,120,003                                | \$2,105,348   | \$4,225,352  | \$2,485,127                               |
| 167            | $m = \mu / T_0$  | \$3,319,796  | \$2,467,829                                | \$3,596,979                                | \$880,271   | \$4,477,249  | \$6,945,079                               |
| 168            | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1  | \$665,457  |  |  | \$98,724  | , S (%)  | , J. J. Wo                                |
| 169            |  | \$105,279  | N 8 10 10 10 10 10 10 10 10 10 10 10 10 10 | \$7,467                                    | \$19,492  | \$26,959   | 1 20 6,000                                |
| 170            | . 1 to 1 to 1 to 1   | \$4,322,052  |  | \$630,507                                  | \$906,482   | \$1,536,989  | \$1,322,520                               |
| 171            | 145 J. C. 1945   | \$2,769,670  | \$1,738,504                                | \$2,730,185                                | \$4,723,997   | \$7,454,182  | \$9,192,686                               |
| 172            | (1.15 + 4.4)   | \$5,458,147  | \$5,428,212                                | \$2,466,300                                | \$208,997   | \$2,675,297  | \$8,103,509                               |
| 173            | gi sant sam  | \$3,246,696  |  | \$1,630,684                                | \$323,470   | \$1,954,154  | \$1,569,401                               |
| 174            | 5 4, 4 4 3   | \$1,904,641  | \$1,077,604                                | \$1,310,952                                | \$487,519   | \$1,798,472  | \$2,876,075                               |
| 175            | , a  | \$5,769,272  | \$5,080,956                                | \$3,033,210                                | \$2,647,892   | \$5,681,102  | \$10,762,058                              |
| 176            | e version de la company  | \$2,295,609  | \$235,441                                  | \$3,022,876                                | \$837,602   | \$3,860,478  | \$4,095,919                               |
| 1 <b>7</b> 7   |  | \$4,243,230  | \$2,326,818                                | \$4,588,815                                | \$2,102,792   | \$6,691,607  | \$9,018,425                               |
| 178            | 1.000  | \$4,262,069  | \$3,066,656                                | \$2,979,819                                | \$734,414   | \$3,714,233  | \$6,780,888                               |
| 179            | 1.1  | \$1,281,540  |  | \$862,273                                  | \$117,394   | \$979,667  | \$29,149                                  |
| 180            |  | \$2,100,813  | \$357,286                                  | \$1,066,694                                | \$147,032   | \$1,213,727  | \$1,571,013                               |
| 181            | 1 14.5   | \$3,370,663  | 1 To 4 1941                                | \$8,326,636                                | \$3,888,153   | \$12,214,789   | \$11,560,819                              |
| 182            | g week i   | \$3,075,727  | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1   | \$2,088,274                                | \$589,634   | \$2,677,907  | \$1,942,987                               |
| 183            |  | \$4,099,056  | \$2,447,333                                | \$3,694,870                                | \$1,258,315   | \$4,953,185  | \$7,400,518                               |
| 184            | A 1 188 A  | \$3,512,510  | \$2,813,554                                | \$701,184                                  | \$166,308   | \$867,492  | \$3,681,046                               |
| 185            | 2.14   | \$1,533,323  | An April                                   | \$2,157,746                                | \$601,812   | \$2,759,557  | \$2,072,581                               |
| 186            | $\epsilon = \epsilon_{ij}$   | \$2,376,229  | \$1,210,030                                | \$3,485,007                                | \$942,610   | \$4,427,617  | \$5,637,647                               |
| 187            | A STATE OF THE STA | \$3,764,457  | \$700,150                                  | \$6,793,839                                | \$3,216,086   | \$10,009,925   | \$10,710,075                              |
| 188            | The proceedings  | \$3,964,295  | \$423,784                                  | \$2,006,482                                | \$420,630   | \$2,427,111  | \$2,850,896                               |
| 189            | 4 1.1  | \$2,271,234  | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1      | \$3,591,493                                | \$1,370,148   | \$4,961,641  | \$3,388,533                               |
| 190            | 4.3 4  | \$2,149,411  | \$392,927                                  | \$4,260,024                                | \$1,900,711   | \$6,160,735  | \$6,553,662                               |
| 191            |  | \$826,183  | \$284,549                                  | \$1,999,703                                | \$1,040,014   | \$3,039,717  | \$3,324,266                               |
| 192            | - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1  | \$2,538,655  | \$1,277,604                                | \$945,001                                  | \$325,431   | \$1,270,431  | \$2,548,036                               |
| 193            |  | \$70,085   | \$44,125                                   | \$316,690                                  | \$35,619  | \$352,309  | \$396,434                                 |

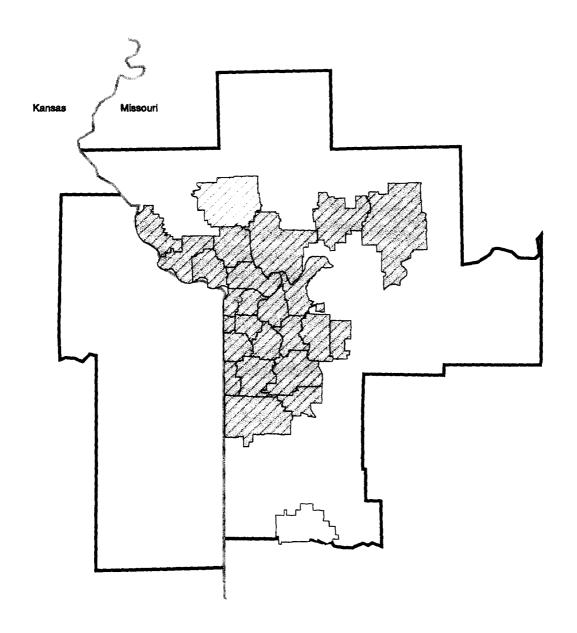
| Missouri       |                    | Restrence     |                                     |  | Business  |                                       | Total Wire                       |
|----------------|--------------------|---------------|-------------------------------------|--|---|---------------------------------------|----------------------------------|
| Wire<br>Center | Port Charles       |               |                                     | Total Universal<br>Service Gross<br>Margin | Contribution from<br>Vertical Services, Toll,<br>and Access | Total Business<br>Operating<br>Margin | Center Switched Operating Margin |
|                |                    |               |                                     | Report 8 : E                               | Report 8: F+G+H+I+J   | Report 8 : K                          | CPP.                             |
|                |                    | A. L.         |                                     | D  | E   | F                                     |                                  |
| 194            | St. 16 (1.2)       | \$10,063      | And the Anderson                    |  | Constant)   | 12/17/11                              | Marin Mari                       |
| 195            | 1.1                | \$66,476      | 1.1.1.000                           |  | \$11,097  | g f + 5, the                          | - 1, th                          |
| 196            | Meg And Diff       | \$326,050     |                                     |  | \$118,073   | \$100,794                             | 9. 1. 1.                         |
| 197            | gr. dictado        | 1505.1447     | 4 (8.4) (14.5)                      | . :  | \$29  | Setting a second                      |                                  |
| 198            |                    | \$845,520     | V 1 VH                              |  | \$352,445   | \$171,566                             | 1,                               |
| 199            | 1 (4)              | \$62,972      |                                     |  | \$18,646  | 1.4                                   | 1.0                              |
| 200            |                    | \$209,600     | 9.00                                |  | \$79,105  | 9 f - 1 g / f - 1 g                   | 1 1                              |
| 201            |                    | \$1,125,442   | 1 14                                | \$931,827                                  | \$132,230   | \$1,064,057                           | \$1,033,062                      |
| 202            |                    | \$52,821      | Section 2                           | - y - ' -                                  | \$4,782   | 10, 0, 3                              | 0.00                             |
| 203            | 99. J. 18. 34.     | (510,951)     | Mark Control                        | 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1   | \$749   | -44                                   | 11 (14)                          |
| 204            | .84                | \$1,218,120   |                                     | \$77,195                                   | \$582,982   | \$660,177                             | \$213,292                        |
| 205            |                    | \$383,561     | ( ) ( ( ) ( ) ( ( ) ( ) ( ) ( ) ( ) | \$79,652                                   | \$55,379  | \$135,031                             | e de treff.                      |
| 206            | , e e Et i.,       | (\$24, 34)    | 1.116                               | : 18:                                      | \$439   | (A.1 - 4 - 4)                         |                                  |
| 207            | 17 - 1945          | \$13,058      |                                     |  | EN 1 (EC.4)   | 12:31e-00.00                          | 1,535,000                        |
| 208            |                    | \$102,780     | 3.5                                 | ·* :                                       | \$27,781  | \$4,331                               |                                  |
| 209            | Section (1)        | \$9,501       | *****                               |  | \$19,408  | 41.6                                  |                                  |
| 210            | 5 STALS            | \$18,647      | n un unang                          | 3  | ्री करण   |                                       |                                  |
| Total          | (\$245-0.03.1.033) | \$190,600,931 | (17 - 7 (9.162)                     | \$122,658,039                              | \$67,475,235  | \$190,133,274                         | \$116,723,112                    |

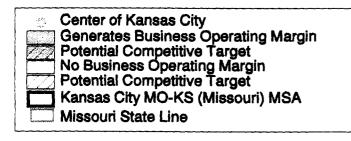
# Residence Universal Service Kansas City MO-KS (Missouri) MSA - SWBT Wire Centers



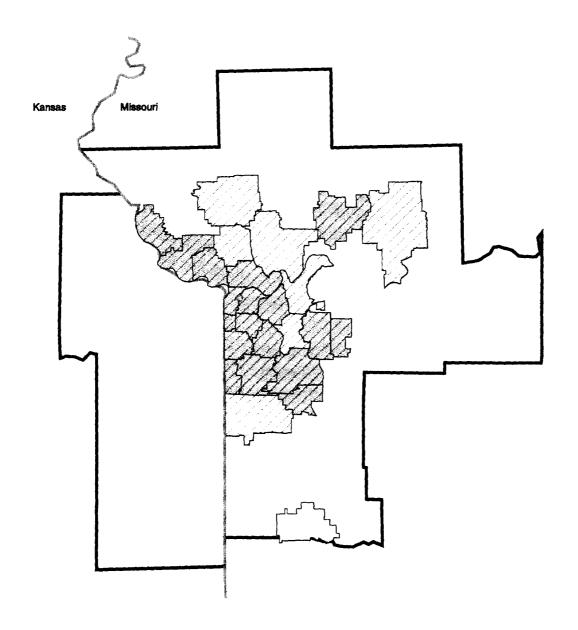


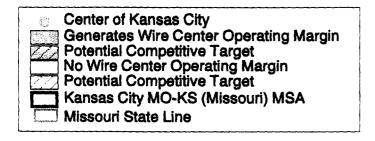
# Business Universal Service Kansas City MO-KS (Missouri) MSA - SWBT Wire Centers





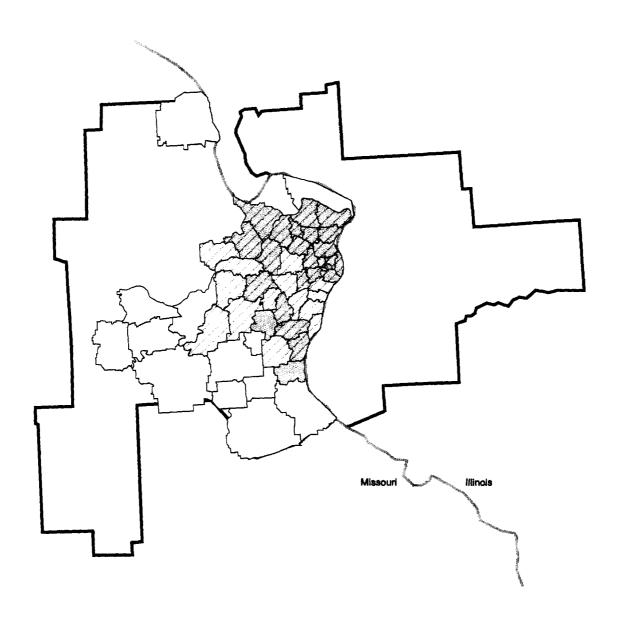
## Residence & Business Universal Service Kansas City MO-KS (Missouri) MSA - SWBT Wire Centers

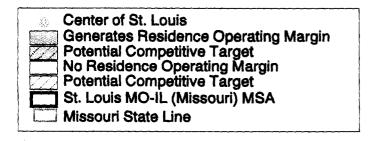




### **Residence Universal Service**

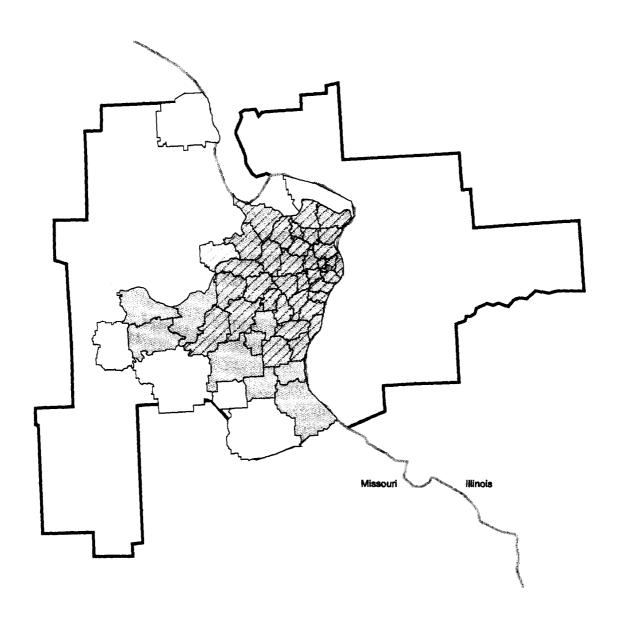
### St. Louis MO-IL (Missouri) MSA - SWBT Wire Centers

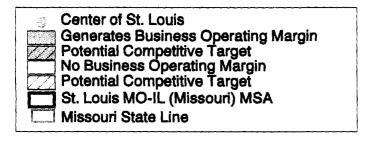




### **Business Universal Service**

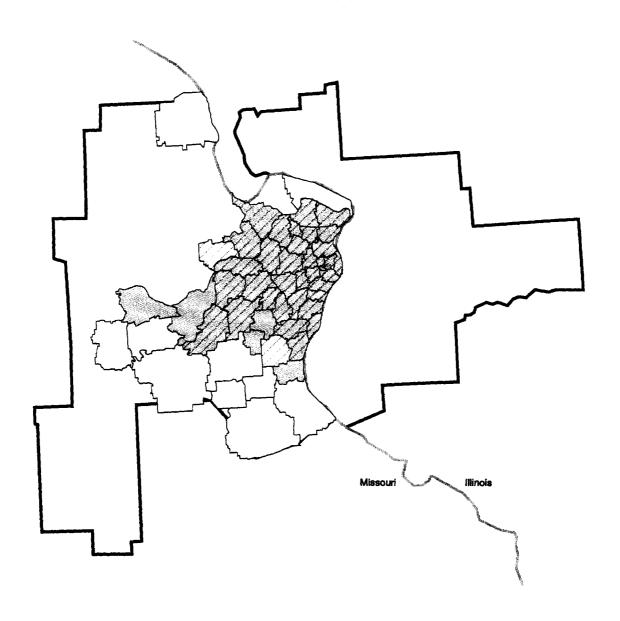
### St. Louis MO-IL (Missouri) MSA - SWBT Wire Centers

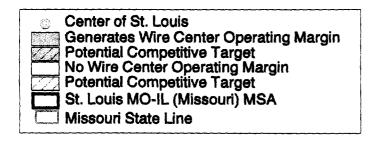




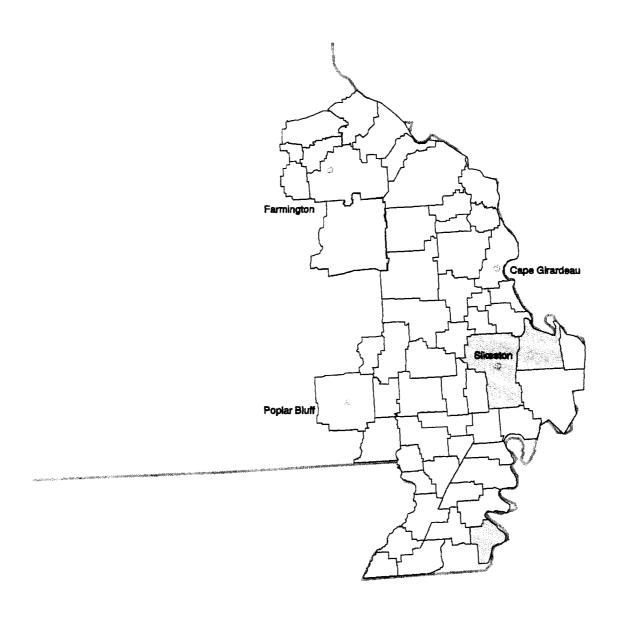
### **Residence & Business Universal Service**

### St. Louis MO-IL (Missouri) MSA - SWBT Wire Centers



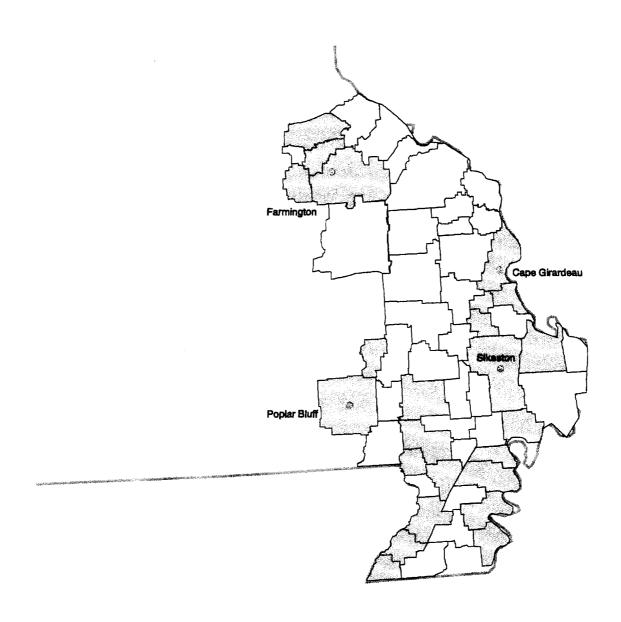


# Residence Universal Service Southeast Missouri MSAs - SWBT Wire Centers



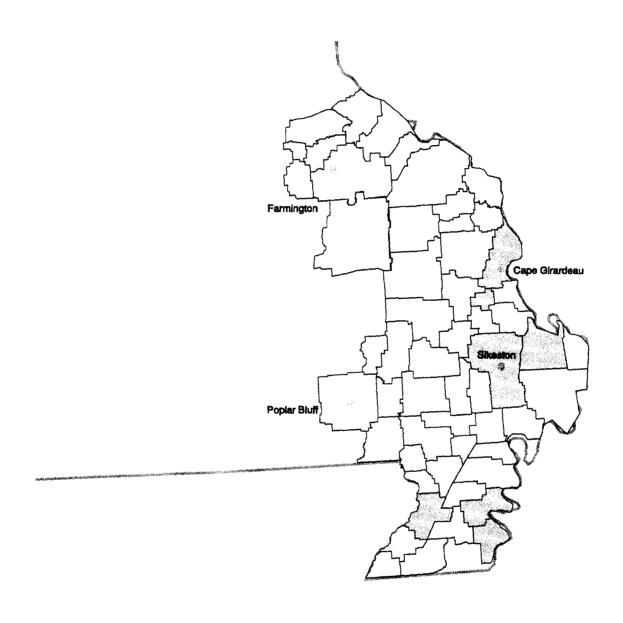


# Business Universal Service Southeast Missouri MSAs - SWBT Wire Centers





# Residence & Business Universal Service Southeast Missouri MSAs - SWBT Wire Centers



| Center of Southeast Missouri Cities                          |
|--|
| Generates Wire Center Operating Margin                       |
| Potential Competitive Target No Wire Center Operating Margin |
| No Wire Center Operating Margin                              |
| Potential Competitive Target                                 |
| Southeast Missouri MSAs                                      |
| Missouri State Line  |
|  |